

Message Text

CONFIDENTIAL

PAGE 01 STATE 237653

70

ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 OMB-01 L-03 /053 R

66615

DRAFTED BY XMB: LEROY M. LAROCHE

APPROVED BY EB/IFD/ODF:RASWART

XMB:CLAYTON NORRIS

XMB: DAVID O. BEIM

NEA/AFN:WWEISLOGEL

----- 010310

R 062031Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY ALGIERS

C O N F I D E N T I A L STATE 237653

E.O. 11652:GDS

TAGS: EFIN, AG

SUBJECT: EXIMBANK POLICY TOWARD ALGERIA

REF: (A) ALGIERS 2008 (B) STATE A-5902, 9-17-75

1. REJECTED PROJECTS.

A. TELECOMMUNICATIONS EQUIPMENT MANUFACTURING PLANT.
CHOICE OF SUPPLIER WAS NOT KEY DETERMINANT IN EXIMBANK DENIAL.
WE FELT THAT SONELEC WOULD HAVE HANDS FULL WITH LARGE
HOME ENTERTAINMENT ELECTRONICS PROJECT WHICH BANK
AGREED TO FINANCE IN MAY 1975. CHANGE OF SUPPLIER WOULD NOT
ALTER BANK'S POSITION. IN ANY EVENT, WE UNDERSTAND SONELEC
HAS NOW AWARDED CONTRACT TO NON-U.S. EXPORTER, I.E. SPANISH
SUBSIDIARY OF ITT.

B. PHARMACEUTICAL MANUFACTURING PLANT. EXIM UNWILLING
TO FINANCE COSTS OF TRAINING ALGERIANS IN U.S. MINIMAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 237653

VALUE OF PHARMACEUTICAL CULTURES TO BE SUPPLIED BY PFIZER

IN RELATION TO TOTAL EQUIPMENT, AND SERVICES SUPPLY BY
FLUOR OUT OF U.K., PLUS APPARENT ASSURANCE OF SALE OF
CULTURES FROM U.S. REGARDLESS OF AVAILABILITY OF EXIM
FINANCING, MILITATE AGAINST APPROVAL OR RECONSIDERATION.

2. PRIORITIES.

ALL PROJECTS ARE DOUBTLESS OF IMPORTANCE TO THE ALGERIANS,
BUT FACED WITH FINANCIAL CONSTRAINTS THE GOA MUST HAVE SOME
WAY OF ORDERING ITS PRIORITIES. BETTER BY FAR FOR GOA TO TRY
TO DETERMINE WHICH ARE MOST IMPORTANT, AND BE ABLE TO
EXPLAIN WHY, THAN FOR OUTSIDERS TO DO THE BEST THEY CAN
TO SELECT, WITHOUT BENEFIT OF INPUT FROM THE GOA.

3. GUARANTEES.

IT SO HAPPENS THAT EXIM HAS NOT FORMALLY OR PRELIMINARILY
AUTHORIZED FINANCIAL GUARANTEES IN CONJUNCTION WITH ITS
DIRECT CREDITS FOR SOME MONTHS, BUT GOA SHOULD BE AWARE OF
BANK'S CUSTOMARY EMPHASIS ON A CASE-BY-CASE APPROACH, AND QUESTION
OF GUARANTEES IN ANY INSTANCE IN THE FUTURE DEPENDS ON THE
MERITS OF THE PARTICULAR CASE. ALGERIA HAS IN THE PAST
DEMONSTRATED ITS ABILITY TO BORROW WITHOUT EXIM
GUARANTEE. ON OTHER HAND, WE WOULD NOT COMPLETELY RULE
OUT USE OF GUARANTEE IN THOSE CASES WHERE IT SHOULD PROVE TO
BE ESSENTIAL TO PUT A FINANCING PACKAGE TOGETHER.

4. INTEREST RATES.

ON SEPTEMBER 10, 1975 , EXIMBANK ANNOUNCED FOLLOWING
INTEREST RATE SCHEDULE:

TOTAL TERM OF LOAN, IN
YEARS FROM DATE OF AUTH. RATE

UNDER 6 8-1/4

6-8 8-1/2

0-10 8-3/4

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 237653

QPAQW O

QWAQR OAQXR

OVER 14 9-1/2

SEPARATE CIRCULAR AIRGRAM (REF B) CARRIES BACKGROUND AND

EXPLANATION.

KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BANK LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE237653
Document Source: CORE
Document Unique ID: 00
Drafter: LEROY M. LAROCHE
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750347-0135
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751081/aaaacuhw.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 ALGIERS 2008, 75 STATE A-5902
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUL 2003 by ElyME>; APPROVED <26 NOV 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK POLICY TOWARD ALGERIA
TAGS: EFIN, AG, XMB
To: ALGIERS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006